



# Executive Committee Meeting

April 10, 2023

# Agenda

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- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda
  - Public Comment
- Regular Agenda
- Committee Members Reports
- Adjourn

# Chair Report

Item 2



# CEO Report

Item 3



# Welcome!

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- Gwen Rose, Director of Marketing and Community Relations, started March 20
- Catherine Hansen, Human Relations Manager, started March 29



# Open Positions

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## Currently posted:

- Chief Executive Officer
- Power Resources Analyst / Specialist



# CalCCA Annual Conference

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- “Powered by Community”
- May 17-19 in San Diego, CA
  - May 19 elected officials luncheon
- Board Members are encouraged to attend; please let Nelly know of your interest in attending

# Strategic Plan, Policies #9 and #10 Proposed Edits



# Agenda

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- Background: DEAI Scope of Work
- Proposed edits to Strategic Plan
- Proposed edits to Policy #9
- Proposed edits to Policy #10

# DEAI Scope of Work

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1. Review Relevant DEAI Legislation and Regulatory Requirements (complete)
2. Conduct DEAI organizational needs assessment (complete)
3. Create organizational DEAI Policy (complete)
4. **Update relevant organizational policies (in progress)**
5. DEAI Action Plan: departmental goals and metrics to operationalize DEAI (in progress)

# Proposed Edits to Strategic Plan

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Proposing edits to Organizational Excellence pillar:

- **Current:** Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity.
- **Proposed Change:** Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, **equity, accessibility, inclusion,** transparency, and integrity.

# Proposed Edits to Policy #9

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- Policy originally approved November 17, 2016
- Current title: Ethical Vendor Standards
- Proposed new title: Ethical **Procurement** Standards
- Focus of policy had broadened to include staff's procurement conduct
- Borrowed from San Mateo County Code of Ethical Conduct:  
Procurement Ethics

# Proposed Edits to Policy #9 Continued

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- Proposed revised policy has the addition of the following sections:
  - Sustainability and Social Responsibility
  - Transparency
  - Confidentiality
  - Impartiality
  - Professionalism
  - Compliance
  - Accountability

# Proposed Edits to Policy #10

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- Policy originally approved December 15, 2016, updated October 25, 2018
- Updated formatting for easier policy navigation
- Reformatting of and additions to Policy Statement under Section 1
- Revisions to Section 2b: Supply Chain:
  - Revised Item 4: request info on diverse business ownership
  - Revised Item 6: encourage reporting on inclusivity in business staff
  - Added Item 7, Supply Chain Code of Conduct

# Attachment A: Supply Chain Code of Conduct

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- Derived from principles of UN, International Labour Organization (ILO), solar and business social responsibility organizations
- Sections:
  - Freely Chosen Employment
  - Young Workers
  - Working Hours
  - Wages and Benefits
  - Humane Treatment
  - Non-Discrimination/Non-Harassment
  - Freedom of Association
  - Restricted Jurisdictions

# Proposed Edits to Policy #10 Cont.

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- Addition of the City of Los Banos/Merced County/Central Valley:
  - In Section 2c: Inclusive Business Practices
  - When defining "local" in Section 3b: Sustainable Workforce Objectives
- Modification of "shall use" to "shall use best efforts to use" in ~~second to last sentence of~~ Section 3d
- Modification of apprenticeship requirement ~~from 20% to 25%~~ in Section 3d



# Proposed Edits to Policy #10 Cont.

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- Removal of entire section/paragraph on PCE Feed-In Tariff Price Projects
- Renaming Section 3e to Peninsula Clean Energy Programs, updating rest of this section to reference energy programs
- ~~Removal of the language “including proper assignment of work to crafts that traditionally perform the work” from Section 3e~~

# Meetings with Labor, January 25<sup>th</sup> and March 6th

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- Peninsula Clean Energy staff met with labor to discuss proposed edits to Section 3d of Policy #10
- Outcomes of first meeting with labor:
  1. Peninsula Clean Energy staff proposed retaining the proposed edits for “shall use best efforts” language to present to EC for their guidance and consideration.
  2. Conduct further research on the IRA’s apprenticeship requirements to receive full tax credits
- Met again on 3/6, Labor reiterated concerns with proposed revision

# IRA Apprenticeship Requirements

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- Described in IRS Notice 2022-61
- Different kinds of apprenticeship requirements:
  1. Apprenticeship Labor Hour Requirements
  2. Apprenticeship Ratio Requirements
  3. Apprenticeship Participation Requirements

# Recommendation

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Recommend Approval to the Board of Directors of Diversity, Equity, Accessibility, and Inclusion (DEAI)- Related Amendments to the Strategic Plan and Policy #9 and #10



# PCE Strategic Plan (2020-2025) Mid-Point Update for FY and CY 2023

Executive Committee Presentation

April 10, 2023

# Recap of Adjustments Since Sept 2022

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1. Introduced new color-coded dashboard for quick progress view

On target

Challenges exist

At risk

2. Updated PCE's 24/7 Strategic Goal to now read: Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.

3. Added separate section for Account Services, which had previously been embedded within Marketing and Community Relations.

4. Revised targets for Energy Programs to reflect market challenges through the pandemic and a more realistic trajectory.

5. Changed language in 2035 Decarb goal to "member jurisdictions" rather than San Mateo County to be inclusive of Los Banos.

# Our Top Strategic Priorities

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1. *Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.*
  - a) Language updated at November 2022 Board meeting
  
2. *Contribute to Peninsula Clean Energy member jurisdictions reaching the state's goal to be 100% greenhouse gas free for transportation and buildings by 2035.*
  - a) Recommended clarification on the decarb goal to accurately reflect State deadline: *Contribute to Peninsula Clean Energy member jurisdictions reaching the State's 2045 goal to be 100% greenhouse gas free for transportation and buildings by 2035.*

Add image  
of SP cover  
here

These primary organizational goals are augmented by other Strategic Plan goals that tie to the core functions and operations of Peninsula Clean Energy.

# Organizational Priorities

## Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2025 Target
100% Renewable on 99% Time-Coincident	47.0%	47.0%	49.2%	52.4%	100%
2035 Decarbonization (MMT GHG reduced)	3,800	14,300	23,100	27,500	See Below*

\*Peninsula Clean Energy has a 2035 decarbonization target only. Total San Mateo County emissions inventoried in 2019 were 4.1 million MT GHG of which 3.2 million MT GHG are in buildings and transportation. Decarbonization figures for each year are the estimated reductions resulting from PCE programs on a cumulative basis through that year.

- On target
- Challenges exist
- At risk



# Power Resources Update

## Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022 (Est.)	2023 (Est.)	2025 Target
<b>EcoPlus</b> Annual Renewable Content (%)	52%	51.7%	49.2%	52.4%	53.0%	100%
<b>EcoPlus</b> Emissions Factor (lbs. / MWh)	102	13	5	9	13	16
<b>Eco100</b> Annual Renewable Content (%)	100%	100%	100%	100%	100%	100%
<b>Eco100</b> Emissions Factor (lbs. / MWh)	0	0	0	0	0	0
New Peninsula Clean Energy Capacity Statewide (% of load served by new resources)	0	16%	24%	24%	33%	50%

On target

Challenges exist

At risk

# Power Resources: Strategic Plan Goals/Objectives

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## STRATEGIC PLAN GOALS

1. Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.
2. Secure sufficient, low cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates.

## OBJECTIVES

1. **Planning:** Develop strategies to achieve a reliable power portfolio to meet 100% renewable on a 24 x 7 basis for 2025 and beyond
2. **Procurement:** Procure power resources to meet regulatory mandates and internal priorities at affordable cost
3. **Operations:** Manage power portfolio to ensure performance consistent with contractual requirements, regulatory compliance, and internal strategies
4. **Innovation & Market Development:** Provide a model of leadership for procuring energy resources for a clean energy future

\*CA RPS eligible resources except Biomass

# Power Resources: Mid-Year Highlights

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- Published White Paper Part 2: Achieving 24/7 Renewable Energy by 2025
- Executed 5 PPAs:
  - Nova Stand Alone Storage – 50 MW
  - Whitegrass 2 Geothermal – 6 MW
  - Burney Creek Small Hydro – 3 MW
  - Buena Vista Wind (Extension) - 38 MW
  - CalWind Wind Resource - 19 MW
- Added 3 staff (1 Director & 2 Power Resources Managers); in the process of hiring 3 more specialists
- Developing updated Energy Risk Management Policy

# Power Resources: Challenges

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- Difficulties finding quality and cost-effective renewable projects with in-service dates prior to 2026
  - High demand for new projects created by CPUC's MTR procurement orders
  - Low supply due to lengthy interconnection process and supply chain disruption
  - Out-of-state projects require new transmission build-out and import capacity
  - Baseload renewable and long-duration storage resources are extremely limited
- Elevated market prices across the board for all market products:
  - Forward Energy Hedges
  - Resource Adequacy (RA)
  - PCC-1 Renewable Product

# Community Energy Programs Update

## Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2023 YTD As of 3/28	2025 Target (revised)
Transportation: GHG Reductions (MT)	2,000	8,200	14,800	18,600	21,300	83,000 <i>(was 120,000)</i>
Buildings: GHG Reductions (MT)	1,800	6,100	8,000	8,900	9,200	9,800 <i>(was 12,100)</i>
EV charging ports installed (#)	0	13	146	348	447*	3,500 <i>(was 6,200)</i>
Electric appliances installed (#)	0	0	219	616	883	1,800 <i>(was 2,800)</i>
Local Resources (MW)	0	1.47	4.26	5.54	5.54	20
Funds for Low Income	11%	47%	19%	43%	29%	20%

1. 2025 targets were updated in September 2022
2. All figures cumulative except Funds for Low Income
3. Overall County GHGs when last inventoried in 2019 were 4,100,000 MT
4. GHG measures reflect projected future average annual reductions of actions taken that year (ex: adopted reach codes, charging installed, EVs acquired, etc.)
5. 2021 year electric appliances count updated to reflect addl. units not previously accounted for including electric panels

**\* EV Charging ports in pipeline: 3,200**

Check on color for  
local resources

# Energy Programs: Strategic Plan Goals/Objectives

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## STRATEGIC PLAN GOALS

1. Contribute to Peninsula Clean Energy member jurisdictions reaching a goal to be 100% greenhouse gas free for transportation and buildings by 2035. [update this]
2. Implement robust energy programs that reduce GHG emissions, align energy supply and demand, and provide benefits across the community.

## OBJECTIVES

1. **Signature Programs:** Develop market momentum for electric transportation and initiate the transition to clean energy buildings
2. **Distributed Energy Resources:** Support strategic decarbonization and local power development
3. **Community Benefits:** Deliver tangible benefits throughout our diverse communities
4. **Innovation and Scale:** Leverage leadership, innovation, and regulatory action for scaled impact

# Energy Programs: Mid-Year Highlights (1 of 2)

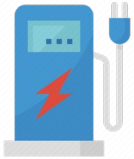
## EV Charging Ports In Progress



Technical Assistance: 1,500



Funds Reserved: 1,700



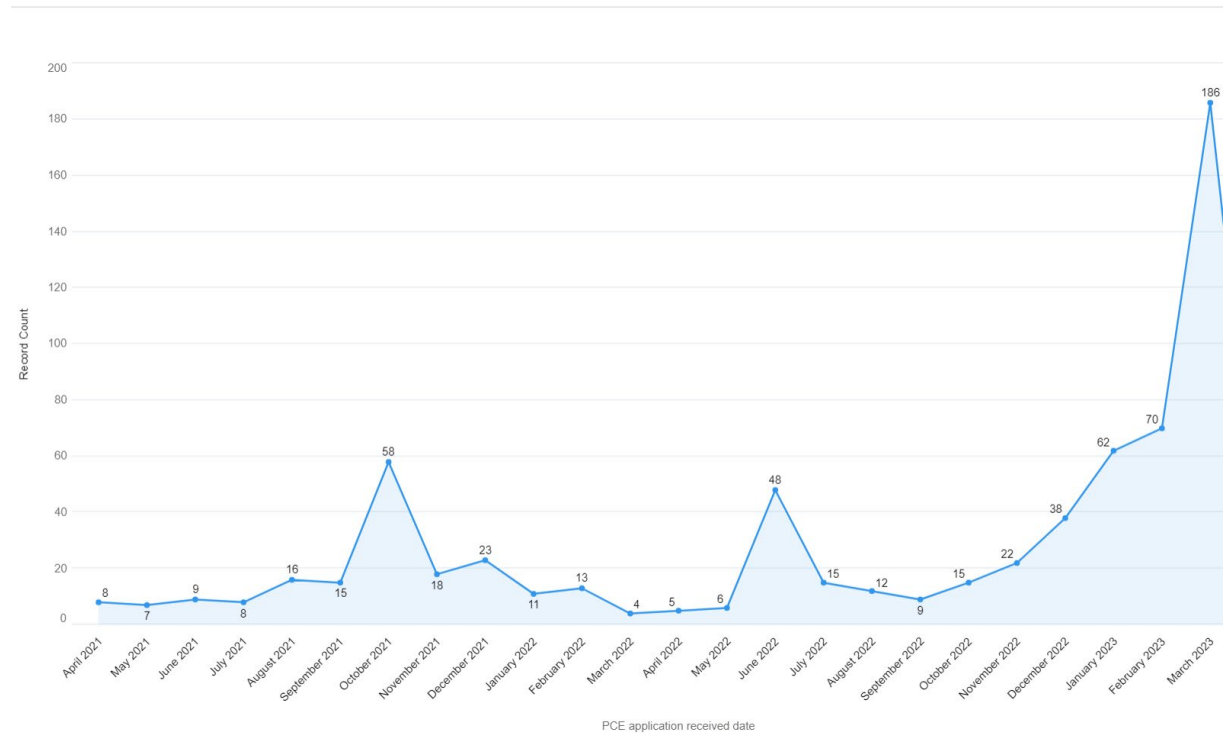
Install Complete: 447 (Goal: 3,500)

### Additional Metrics

- Avg. 14 new PCE rebate applications/month
- Avg. L1 project costs 7.5x cheaper than PG&E installs (\$2.5k)
- Avg. L2 project costs 2.5x cheaper than PG&E installs (\$7.5k)

## Electric Appliances Completed

Rebate applications received by month



# Energy Programs: Mid-Year Highlights (2 of 2)

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## Solar and Storage on Government Buildings

- Round 1
  - 12 facilities in progress, 1.7 MW solar
  - \$17 million in lifetime savings
  - Construction completion expected CYQ1 2024
- Round 2
  - 120 sites assessed, ~46 sites qualify
  - Interconnection applications submitted for more favorable NEM 2 rules
  - Projected size 6-14 MW
  - Construction completion expected CYQ4 2024



# Marketing & Community Relations Update

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Participation Rate (as of FY end) <sup>1</sup>	97%	97%	97%	97%	97%
PCE Aided Awareness	34%	31% <sup>2</sup>	39% <sup>4</sup>	Survey in May '23	60%
PCE Favorability <sup>3</sup>	63%	61% <sup>2</sup>	57% <sup>4</sup>	Survey in May '23	80%
Residential & SMB Engagement <sup>1</sup>	Med/Low	Med/Low	Med/Low	Med/Low	High

1. Shared responsibility with Account Services team
2. Given sample size in 2021, this is statistically equivalent to the 2020 baseline
3. Of those who are aware of Peninsula Clean Energy
4. Statistically different from 2020 baseline

On target
Challenges exist
At risk

# Marketing/Outreach: Strategic Plan Goals/Objectives

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## STRATEGIC PLAN GOAL

Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention

## OBJECTIVES

1. **Brand Reputation:** Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry.
2. **Engagement:** Educate and engage stakeholders in order to gather input, inspire action, and drive program participation

# Marketing/Outreach: Mid-Year Highlights

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## Brand Reputation

- Achieving 24/7 Renewable Energy white paper published
- PR results: 7 articles (including Bloomberg, S&P Global, San Mateo Daily Journal) and 3 podcasts
- Thought leadership and interest from industry leaders and decisionmakers (Canadian Ministry, NREL)

## Engagement - Community Relations

- 14 grants awarded and 2 new CBO partners in Daly City and Los Banos
- Partnering with SMCOE on regional grant to raise awareness of energy-related careers to middle and high school students

## Engagement - Marketing

- Testimonial photos and videos with 4 customers
- Promotional efforts drove 7,000 online visitors to our all-electric content and 24,700 online visitors to buildings, EVs and appliance program pages.

# Account Services Update

## Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Participation Rate (as of FY end) <sup>1</sup>	97%	97%	97%	97%	97%
Customer Data Access & Analytics <sup>2</sup>	Low	N/A	Low/Med	Med/Low	High
External Partner Relations	Med/High	High	High	High	High
Key Account Engagement <sup>3</sup>	Low	Low	Med/Low	Med/High	High
Residential & SMB Engagement <sup>1</sup>	Med/Low	Med/Low	Med/Low	Med	High

1. Shared responsibility with Marketing and Community Relations
2. Incorporated Gas usage into Data Connect and expanded users
3. New Strategic Accounts Manager joined PCE in late 2022. Engagement has picked up in Q1 of 2023

Check on med/low

On target
Challenges exist
At risk

# Account Services: Strategic Plan Goal/Objectives

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## STRATEGIC PLAN GOAL

Ensure high customer retention and satisfaction

## OBJECTIVES

1. **Customer Care:** Ensure High Customer Retention and Satisfaction
2. **Operational Excellence:** Build and Maintain Strong Partner Relations
3. **Customer Data:** Improve Access to Energy Data and Analytics

# Account Services: Mid-Year Highlights

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- Los Banos enrollment has been completed with final round of NEM customers transitioning in December 2022
- Gas usage data is being imported to Data Connect to provide a complete energy use profile for users
- Increased engagement with Key Accounts, executing new long term service agreements and re-enrolling targeted accounts in PCE service

# Account Services: Recommended Amendments

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Add **Operational Excellence**, and **Customer Data** objectives to Account Services as its own functional area

- **Operational Excellence:** *Build and Maintain Strong Partner Relations*
- **Customer Data:** *Improve Access to Energy Data and Analytics*

# Public Policy Update

## Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
PCIA Containment	Low	Low	Challenges	On Target	See Below
Legislative Impact	Medium	Medium	Challenges	Challenges / On Target	See Below
Regulatory Impact	High	High	On Target	On Target	See Below
Coalition Building	Low	Medium	On Target	On Target	See Below
Fostering CCA Growth	Medium	Medium	Challenges / On Target	Challenges/ On Target	See Below
<b>Regarding 2025 Targets</b>					

- 1) **PCIA Containment:** PCE staff interprets this goal as an objective to minimize PCIA-related costs applicable to PCE customers by 2025. With that said, PCIA costs applicable to PCE’s customers will remain long past 2025 and are expected to persist into the 2040s.
- 2) **Legislative Impact:** PCE staff interprets this goal as having a high level of influence with our local representatives and CalCCA’s legislative efforts, such that our efforts result in overall positive legislative outcomes in Sacramento.
- 3) **Regulatory Impact:** PCE staff interprets this goal as taking the steps necessary to enable the organizations programmatic and procurement objectives by 2025.
- 4) **Coalition Building:** PCE staff interprets this goal as having strong local, state and regional relationships to leverage our knowledge and influence towards positive outcomes.
- 5) **Fostering CCA Growth:** PCE staff recognizes that CCA growth has slowed in recent years. We believe this goal should be revisited.



# Public Policy: Strategic Plan Goal/Objectives

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## STRATEGIC PLAN GOAL

Strongly advocate for public policies that advance Peninsula Clean Energy's organizational priorities.

## OBJECTIVES

- 1. Regulatory:** Educate and engage policymakers to develop policies that support Peninsula Clean Energy's organizational priorities
- 2. Legislative:** Engage state legislators to pass legislation that advances Peninsula Clean Energy's organizational priorities and defeat legislation that would hinder Peninsula Clean Energy's organizational priorities and operations.
- 3. Growth of CCA/Expansion:** Take a leadership position in supporting the growth of community energy and CCAs in California

# Public Policy: Mid-Year Highlights

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1. PCE is sponsoring our first bill in legislature
2. PCE engagement is shaping IRP/RA reform to better align with our 24/7 objective
3. Further expansion of DAC-GT program to serve more low income customers
4. Shifting oversight of regulatory compliance into regulatory policy department

# Public Policy: Recommended Amendments

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1. Amend Objective A. "Regulatory" to include an additional Key Tactic:

*KT3. Ensure timely compliance with all applicable regulatory reporting obligations.*

2. Amend Objective C: "Growth of Community Energy and CCAs" to include new Key Tactic

*KT4: Track regulatory, statutory and market conditions affecting CCA expansion to take advantage of opportunities and engage in mitigating hurdles.*

# Financial Stewardship Update

## Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD <sup>1</sup>	2025 Target
Days Cash On Hand (Unrestricted)	238	257	201	219	231
Credit Rating (Fitch/Moody)	BBB+/ Baa2	same	BBB+/ Baa2 POS	BBB+/ Baa2 POS	single "A" level
Change in Net Position (\$000s)	\$48,900	-\$8,216	-\$13,046	\$47,0456	positive
Investment Performance (FRB/PFM)		2%	-4.4%/-4.7% <sup>2</sup>	TBD	TBD
Average Cost of Energy (\$/MWh)	\$61.92	\$59.04	\$62.75	TBD	\$62.73

1. Key Performance Indicator results for FY 2022-2023 are based on unaudited mid-fiscal year performance – final results may change by fiscal year end.

2. Investment Performance results reported for each portfolio manager's holdings in FY 2021-22

On target

Challenges exist

At risk

# Finance: Strategic Plan Goal/Objectives

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## STRATEGIC PLAN GOAL

Employ sound fiscal strategies to promote long-term organizational sustainability

## OBJECTIVES

1. **Fiscal Health:** Strengthen and maintain Peninsula Clean Energy's fiscal health
2. **Financial Controls and Management:** Implement financial controls and policies that meet or exceed best practices for leading not-for-profit organizations
3. **Financial Stability:** Practice strategies to ensure long-term financial sustainability

# Finance: Mid-Year Highlights

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1. FY 2022-2023 mid-year financial performance on track to produce healthy operating surplus
2. Continued conservative and prudent practice diversifying financial institution exposure

# Organizational Excellence Update

## Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Staff Satisfaction	High	High	On Target	On Target	See Below
Innovation Impact	High	High	On Target	On Target	See Below
Technology & Systems	High	Med-High	On Target	On Target	See Below
Organizational Policies*	High	High	On Target	On target	See Below
Governance	High	High	Challenges	On Target	See Below

\*For external vendors and partners

### Regarding 2025 Targets

- 1) Staff Satisfaction:** PCE staff interprets this goal based on yearly surveys, assessment of employee satisfaction; evaluation of professional development and training efforts; evaluation of competitive benefits.
- 2) Innovation Impact:** PCE staff interprets this goal as the assessment of the quality of technology, program design, and policy innovation developed by the organization and its impact towards the organization's goals and the clean energy industry.
- 3) Technology & Systems:** PCE staff interprets this goal as the assessment of quality and completeness of systems to support the organization's work including for business processes, energy-related analysis, program impact evaluation and customer insights; evaluation of systems and practices that ensure data accuracy/privacy and security.
- 4) Organizational Policies:** PCE staff interprets this goal as the assessment of progress toward implementation of key policies such as the Sustainable Workforce and Ethical Vendor Standards policies.
- 5) Governance:** PCE staff interprets this goal as facilitating the succession process, providing high quality orientation materials, and eliciting broad support of the organization by new Board Members, Alternates, and Citizen Advisory Committee Members; incorporating DEAL policy when completed.

# Org. Excellence: Strategic Plan Goal/Objectives

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## STRATEGIC PLAN GOAL

Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity

## OBJECTIVES

1. **Culture and People:** Foster a workplace culture that attracts and develops exceptional and diverse talent and values all people
2. **Innovation:** Foster a culture of innovation to yield solutions that accelerate our mission
3. **Data and Technology:** Increase data analytics capability to enable energy-related analyses, program impact measures, and consumer insights for continuous improvement
4. **External Vendor Policies:** Implement vendor policies that embrace diversity and inclusion and that optimize engagement results
5. **Governance:** Follow best practices for governance and succession to engage and develop qualified, diverse Board Members and Citizens Advisory Committee Members



# Organizational Excellence: Mid-Year Highlights

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1. Completed adoption of PCE's first ever DEAI policy and preparation of a DEAI action plan and proposed amendments to the Strategic Plan and Policies 9 and 10.
2. New HR Manager hired and progress toward a centralized HR function for PCE.
3. Successful return to in-person Board and Committee meetings, including hybrid option for members of the public.
4. Successful completion of new Board member orientation.
5. Recruitment and on-boarding for 7 vacant/new staff positions since Sept 2022.

# Committee Members' Reports

Item 5